AMENDED IN ASSEMBLY APRIL 27, 2004 AMENDED IN ASSEMBLY APRIL 12, 2004 AMENDED IN ASSEMBLY MARCH 31, 2004

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 3035

Introduced by Assembly Member Yee

February 26, 2004

An act to add Section 56.100 Sections 56.100 and 1798.68.5 to the Civil Code, relating to confidentiality of medical information.

LEGISLATIVE COUNSEL'S DIGEST

AB 3035, as amended, Yee. Confidentiality of medical information: *transcription services*.

Existing law

The Confidentiality of Medical Information Act provides for the confidentiality of medical information. These provisions generally prohibit a provider of health care or a health care service plan, as defined, from disclosing medical information, as defined, regarding a patient. However, the information may be disclosed to any person who provides billing, claims management, medical data processing, or other administrative services. A violation of these provisions that results in economic loss or personal injury to a patient is a misdemeanor. In addition, any individual may bring an action for damages against any person or entity who has negligently released confidential information or records concerning that individual in violation of these provisions.

The Information Practices Act of 1977 makes the intentional disclosure of medical, psychiatric, or psychological information by an

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agency, as defined, in violation of the disclosure provisions of that act, a misdemeanor if the wrongful disclosure results in economic loss or personal injury to the individual to whom the information pertains, except as specified.

This bill would prohibit a provider of health care or a health care service plan employed or operated by the University of California, as specified, from disclosing medical information regarding a patient to a person or entity that provides *transcription of* medical data processing, but would permit those entities to disclose that information to persons or entities under specified circumstances.

Because this bill would add to the provisions governing the confidentiality of medical information, a violation of which would be a crime, this bill would impose a state-mandated local program. Further because the bill would add to the provisions governing agency disclosures, a violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56.100 is added to the Civil Code, 2 immediately following Section 56.10, to read:
 - 56.100. (a) Notwithstanding paragraph (3) of subdivision (c) of Section 56.10, a provider of health care or a health care service plan
- 56.100. A provider of health care that is employed or operated by the University of California or any branch thereof, solely or in conjunction with any other entity, may not disclose the information referred to in that paragraph medical information to a person or entity that provides transcription of medical data processing, except as provided in subdivision (b).
 - (b) A provider of health care or a health care service plan that is employed or operated by the University of California or any

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branch thereof, solely or in conjunction with any other entity, may disclose information referred to in that paragraph to persons or entities who provide billing, claims management, or other administrative services only if that provider or health care service plan implements the most stringent applicable provisions of state or federal law governing the disclosure of that information, whichever provisions provide the greatest privacy protection.

- SEC. 2. Section 1798.68.5 is added to the Civil Code, to read: 1798.68.5. A provider of health care that is employed or operated by the University of California or any branch thereof, solely or in conjunction with any other entity, may not disclose medical information to a person or entity that provides transcription of medical data.
- SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.